

House Study Bill 242

SENATE/HOUSE FILE _____
BY (PROPOSED OFFICE OF
ENERGY INDEPENDENCE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to renewable energy production by specifying an
2 electricity distributed renewable generation standard.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1300DP 83
5 rn/rj/14

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1 1 Section 1. Section 476.42, Code 2009, is amended to read
1 2 as follows:
1 3 476.42 DEFINITIONS.
1 4 As used in this division, unless the context otherwise
1 5 requires:
1 6 1. "Alternate energy production facility" means any or all
1 7 of the following:
1 8 a. A solar, wind turbine, waste management, resource
1 9 recovery, refuse-derived fuel, agricultural crops or residues,
1 10 or woodburning facility of up to five hundred kilowatts of
1 11 nameplate generating capacity which is engaged in distributed
1 12 renewable generation.
1 13 b. Land, systems, buildings, or improvements that are
1 14 located at the project site and are necessary or convenient to
1 15 the construction, completion, or operation of the facility.
1 16 c. Transmission or distribution facilities necessary to
1 17 conduct the energy produced by the facility to users located
1 18 at or near the project site.
1 19 A facility which is a qualifying facility under 18 C.F.R.
1 20 part 292, subpart B is not precluded from being an alternate
1 21 energy production facility under this division.
1 22 2. "Distributed renewable generation" means electric
1 23 generation sited at a customer premises providing electric
1 24 energy to the customer load on that site, or providing
1 25 wholesale capacity and energy to an electric utility for use
1 26 by multiple customers in contiguous distribution substation
1 27 service areas.
1 28 ~~2. 3. "Electric utility" means a public utility that~~
1 29 ~~furnishes electricity to the public for compensation.~~
1 30 ~~3. 4. "Next generating plant" means an electric utility's~~
1 31 ~~assumed next coal-fired base load electric generating plant,~~
1 32 ~~whether planned or not, based on current technology and~~
1 33 ~~undiscounted current cost.~~
1 34 ~~4. 5. "Small hydro facility" means any or all of the~~
1 35 ~~following:~~
2 1 a. A hydroelectric facility at a dam which is engaged in
2 2 distributed renewable generation.
2 3 b. Land, systems, buildings, or improvements that are
2 4 located at the project site and are necessary or convenient to
2 5 the construction, completion, or operation of the facility.
2 6 c. Transmission or distribution facilities necessary to
2 7 conduct the energy produced by the facility to users located
2 8 at or near the project site.
2 9 A facility which is a qualifying facility under 18 C.F.R.
2 10 part 292, subpart B is not precluded from being a small hydro
2 11 facility under this division.
2 12 Sec. 2. Section 476.44, subsection 2, Code 2009, is
2 13 amended to read as follows:
2 14 2. a. ~~An electric utility subject to this division,~~
2 15 ~~except a utility that elects rate regulation pursuant to~~
2 16 ~~section 476.1A, shall not be required to own or purchase, at~~
2 17 ~~any one time, more than its share of one hundred five~~
2 18 ~~megawatts of power from alternative energy production~~
2 19 ~~facilities or small hydro facilities at the rates established~~

2 20 pursuant to section 476.43. The board shall allocate the one
2 21 ~~hundred five megawatts based upon each utility's percentage of~~
2 22 ~~the total Iowa retail peak demand, for the year beginning~~
2 23 ~~January 1, 1990, of all utilities subject to this section. If~~
2 24 ~~a utility undergoes reorganization as defined in section~~
2 25 ~~476.76, the board shall combine the allocated purchases of~~
2 26 ~~power for each utility involved in the reorganization.~~

2 27 b. ~~Notwithstanding the one hundred five megawatt maximum,~~
2 28 ~~the board may increase the amount of power that a utility is~~
2 29 ~~required to own or purchase at the rates established pursuant~~
2 30 ~~to section 476.43 if the board finds that a utility, including~~
2 31 ~~a reorganized utility, exceeds its 1990 Iowa retail peak~~
2 32 ~~demand by twenty percent and the additional power the utility~~
2 33 ~~is required to purchase will encourage the development of~~
2 34 ~~alternate energy production facilities and small hydro~~
2 35 ~~facilities. The increase shall not exceed the utility's~~
3 1 ~~increase in peak demand multiplied by the ratio of the~~
3 2 ~~utility's share of the one hundred five megawatt maximum to~~
3 3 ~~its 1990 Iowa retail peak demand. An electric utility shall~~
3 4 ~~produce or purchase at least the following percentages of its~~
3 5 ~~total annual Iowa retail electric sales from alternate energy~~
3 6 ~~production facilities or small hydro facilities engaged in~~
3 7 ~~distributed renewable generation, as follows:~~

- 3 8 a. One-tenth of one percent by 2011.
3 9 b. Twenty-five hundredths of one percent by 2013.
3 10 c. Four-tenths of one percent by 2014.
3 11 d. Sixty-five hundredths of one percent by 2015.
3 12 e. Eight-tenths of one percent by 2016.
3 13 f. One percent by 2016 and each year thereafter.

3 14 EXPLANATION

3 15 This bill relates to alternate and renewable energy
3 16 production.

3 17 The bill adds to the current definitions of an "alternate
3 18 energy production facility" and a "small hydro facility" in
3 19 Code section 476.42 that such a facility shall not exceed a
3 20 maximum nameplate generating capacity of 500 kilowatts in
3 21 distributed renewable generation. The bill defines
3 22 "distributed renewable generation" as electric generation
3 23 sited at a customer premises providing electric energy to the
3 24 customer load on that site, or providing wholesale capacity
3 25 and energy to an electric utility for use by multiple
3 26 customers in contiguous distribution substation service areas.
3 27 The bill requires electric utilities to produce or purchase
3 28 increasing, specified percentages of their total annual Iowa
3 29 retail electric sales from alternate energy production
3 30 facilities or small hydro facilities engaged in distributed
3 31 renewable generation, by specified dates. The maximum
3 32 percentage shall be one percent on and after 2016.

3 33 LSB 1300DP 83

3 34 rn/rj/14.1